APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/070,490	05/21/2002	Constantin Von Altrock	40124/00601	6828

30636   7590   04/05/2007
FAY KAPLUN & MARCIN, LLP
150 BROADWAY, SUITE 702
NEW YORK, NY 10038

EXAMINER
TINKLER, MURIEL S

ART UNIT	PAPER NUMBER
3691	

SHORTENED STATUTORY PERIOD OF RESPONSE	MAIL DATE	DELIVERY MODE
3 MONTHS	04/05/2007	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

If NO period for reply is specified above, the maximum statutory period will apply and will expire 6 MONTHS from the mailing date of this communication.

	Application No.	Applicant(s)
Office Action Summary	10/070,490	VON ALTROCK ET AL.
	Examiner	Art Unit	
	Muriel Tinkler	3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE <u>3</u> MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *15 May 2002*.

2a)☐ This action is **FINAL**.   2b)☒ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *4-19* is/are pending in the application.

    4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *4-19* is/are rejected.

7)☒ Claim(s) *9, 15 and 19* is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

    Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

    Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

    a)☐ All   b)☐ Some * c)☐ None of:

      1.☐ Certified copies of the priority documents have been received.

      2.☐ Certified copies of the priority documents have been received in Application No. _____.

      3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

    * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☒ Notice of References Cited (PTO-892)

2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)

3) ☐ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date _____.

4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____.

5) ☐ Notice of Informal Patent Application

6) ☐ Other: _____.

DETAILED ACTION

This application has been reviewed. The new claims 4-19 are pending. The

rejections are as stated below.

Claim Objections

1.   Claims 9, 15 and 19 are objected to under 37 CFR 1.75(c), as being of improper

dependent form for failing to further limit the subject matter of a previous claim.

Applicant is required to cancel the claim(s), or amend the claim(s) to place the claim(s)

in proper dependent form, or rewrite the claim(s) in independent form.

   a.   Claim 9 refers to claim 8 with a further limitation on lines 1-2, "wherein the

expert rules are implemented in the form of fuzzy logic rules". This limitation is

the same limitation of claim 8.

   b.   Claim 15 refers to claim 14 with a further limitation on lines 1-2, "wherein

the expert rules are implemented in the form of fuzzy logic rules". This limitation

is the same limitation of claim 14.

   c.   Claim 19 refers to claim 18 with a further limitation on lines 1-2, "wherein

the expert rules are implemented in the form of fuzzy logic rules". This limitation

is the same limitation of claim 18.

Claim Rejections - 35 USC § 112

2.   The following is a quotation of the second paragraph of 35 U.S.C. 112:

   The specification shall conclude with one or more claims particularly pointing out and distinctly
   claiming the subject matter which the applicant regards as his invention.

3.   Claims 4 and 10 are rejected under 35 U.S.C. 112, second paragraph, as being

indefinite for failing to particularly point out and distinctly claim the subject matter which

applicant regards as the invention.

4.   Claim 4 recites the limitation "the current transaction data" in line 4. There is

insufficient antecedent basis for this limitation in the claim. This limitation is preceded

by "a current transaction". It is unclear if the applicant refers to "the current transaction

data" as meaning the same as "a current transaction". The Examiner will conclude that

is referring to "the current transaction data" as meaning the same as "a current

transaction".

5.   Claim 10 recites the limitation "the current transaction data" in line 4. There is

insufficient antecedent basis for this limitation in the claim. This limitation is preceded

by "a current transaction". It is unclear if the applicant refers to "the current transaction

data" as meaning the same as "a current transaction". The Examiner will conclude that

is referring to "the current transaction data" as meaning the same as "a current

transaction".

Claim Rejections - 35 USC § 103

6.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set
> forth in section 102 of this title, if the differences between the subject matter sought to be patented and
> the prior art are such that the subject matter as a whole would have been obvious at the time the

invention was made to a person having ordinary skill in the art to which said subject matter pertains.
Patentability shall not be negatived by the manner in which the invention was made.

7.   Claims 4-19 are rejected under 35 U.S.C. 103(a) as being unpatentable over

O'Mara et al. (US 2002/0120559 A1) in view of Basch et al. (US 6,658,393 B1).

8.   Claims 4 and 10 discuss a system and method for determining an extent of a risk

of a current transaction being fraudulent in the computer controlled transaction system,

comprising the steps of: receiving data on the current transaction data in a prediction

model; identifying a means of payment used in preceding transactions in the prediction

model; combining a limit with a value in the prediction model for generating an output

value that depicts the extent of the risk of the current transaction being fraudulent; and

initiating reactions to the current transaction; wherein the reactions have different

magnitudes corresponding to the output value that depicts the extent of the risk of the

current transaction being fraudulent; wherein the limit is essentially based on expert

rules and the limit being specific for a type of transaction; wherein the value is

essentially based on a time series analysis of the preceding transactions with regard to

the means of payment and the value being specific for the current transaction; and

wherein combining the limit and the value is performed in a floating manner so that the

output value varies in accordance with an extent of the risk of the current transaction

being fraudulent. O'Mara et al. discloses:

- a method for determining an extent of a risk of a current transaction in the

   Abstract

- the transaction being fraudulent in the Background of the Invention, 1. Field of the Invention

- a computer controlled transaction system in figure 1 and paragraphs 7, 33 and 37.

- receiving data on the current transaction data (or in real-time in paragraph 11) in a prediction model, or data elements for a rules based logic, in paragraphs 22-24, 27, and 44-46.

- identifying a means of payment used in preceding transactions in the prediction model in paragraphs 8 and 42.

- combining a limit (in paragraph 51) with a value in the prediction model for generating an output value that depicts the extent of the risk of the current transaction being fraudulent and initiating reactions to the current transaction as receiving a value from the merchant that exceeds expected values in the Abstract, paragraphs 18, 19, 69, determining a rule score and/or a risk score in paragraph 28, and performing risk calculations in figures 1 & 2, paragraphs 17-19, 41 and 58.

- reactions have different magnitudes corresponding to the output value that depicts the extent of the risk of the current transaction being fraudulent and the limit is essentially based on expert rules and the limit being specific for a type of transaction in paragraph 69.

- the value being specific for the current transaction, or real-time transactions in paragraph 11.

- and combining the limit and the value is performed in a floating manner so that the output value varies in accordance with an extent of the risk of the current transaction being fraudulent in paragraph 71.

O'Mara et al. does not specifically disclose the value essentially based on a time series analysis of the preceding transactions with regard to the means of payment and the value being specific for the current transaction. Basch et al. teaches:

- risk value based on a time series analysis in a relational database (910) using a prediction model of the preceding transactions in column 20 (lines 4-39).

- with regard to the means of payment or how the account holder pays on the account in paragraphs Background of the Invention, Summary of the Invention, column 16 (lines 42-57) and column 18 (lines 30-49).

- and the value being specific for the current transaction in the Abstract and column 8 (lines 13-39).

Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify O'Mara to include time series calculations for a more detailed and accurate prediction of risk level.

9.   Claims 5 and 11 discuss the system and method of claims 4 and 10, wherein the expert rules concern parameters which occur in statistically significant cumulative manner during fraudulent transactions. Claims 4 and 10 have been rejected based on the discussion(s) above. O'Mara discloses this in paragraphs 44-46.

10.   Claims 6 and 12 discuss the system and method of claims 5 and 11, wherein the parameters relate to at least one element selected from the group consisting of an origin of a payment, an origin of a user, a branch of the current transaction, a beneficiary of the current transaction, a magnitude of the current transaction and a value of the current transaction. Claims 5 and 11 have been rejected based on the discussion(s) above. O'Mara discloses the use of a '30 Day Even Dollar Amount' as a data element in paragraph 44.

11.   Claims 7 and 13 discuss the system and method of claims 4 and 10, wherein the time series analysis is implemented in the form of fuzzy logic rules. Fuzzy logic rules are described as, defining a limit for each transaction type that corresponds to the (user-specific) "risk readiness", in paragraph 22 of the specification by the applicant. Claims 4 and 10 have been rejected based on the discussion(s) above. While O'Mara does disclose the use of limits for predicting risk in paragraphs 10 and 51, O'Mara does not specifically disclose the use of time-series analysis. Basch et al. teaches the use of time series analysis in a relational database (910) using a prediction model of the preceding transactions in column 20 (lines 4-39). Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify O'Mara to include time series calculations for a more detailed and accurate prediction of risk level.

12.   Claims 8, 9, 14 and 15 discuss the system and method of claims 4 and 10,
wherein the expert rules are implemented in the form of fuzzy logic rules. Claims 4 and
10 have been rejected based on the discussion(s) above. O'Mara discloses: the use of
expert rules, or data elements for a rules based logic, in paragraphs 22-24, 27, and 44-
46; and fuzzy logic in paragraphs 10 and 51.

13.   Claim 16 discloses a method which is implemented on a computer and which is
provided for identifying and determining fraudulent transaction data in a computer-
controlled transaction processing system with a prediction model for receiving current
transaction data, for processing the current transaction data, and for outputting at least
one output value that depicts a probability of a fraudulent transaction, wherein, on the
basis of stored data, for a time series analysis, and expert rules concerning parameters
which occur in a statistically significant cumulative manner during fraudulent
transactions, especially with respect to the origin of the means of payment or user, to
the branch and to the beneficiary of the transaction, as well as to the magnitude or
value of the transaction, the evaluation is carried out by means of the prediction model
with respect to the risk of the current transaction being fraudulent, and a corresponding
output value is generated, wherein the prediction model combines a limit, which is
essentially based on the expert rules and which is specific for the type of transaction,
with a value, which is essentially based on the time series analysis of preceding
transactions with regard to the same means of payment and which is specific for the
current transaction, in order to generate the output value, and wherein the combination

is carried out in a floating manner so that output values can be generated which vary according to the extent of the suspicion of misuse and which can be used to initiate reactions of different magnitude to the current transaction request instead of the definition of only one risk-threshold for authorization of the transaction. O'Mara discloses:

- a method which is implemented on a computer and which is provided for identifying and determining fraudulent transaction data in a computer-controlled transaction processing system Abstract, Background of the Invention '1. Field of the Invention', figure 1, paragraphs 7, 33 and 37.

- a prediction model for receiving current transaction data for processing the current transaction data or data elements for a rules based logic, in paragraphs 22-24, 27, and 44-46.

- and for outputting at least one output value that depicts a probability of a fraudulent transaction as performing risk calculations in figures 1 & 2, paragraphs 17-19, 41 and 58.

- wherein, on the basis of stored data as determining a rule score and/or a risk score in paragraph 28.

- and expert rules concerning parameters which occur in a statistically significant cumulative manner during fraudulent transactions in paragraphs 44-46.

- especially with respect to the origin of the means of payment or user, or types of payments in paragraphs 8 and 42.

- to the branch, or contractual partner who requested the authorization, as the cardholder to authorizes the transaction in paragraph 12.

- the beneficiary of the transaction, as the merchant in the Abstract, Background of the Invention, Summary of the Invention and paragraph 37.

- as well as to the magnitude or value of the transaction and the prediction model combines a limit based on the expert rules in a floating manner in paragraphs 44 and 71.

- The limit specific for the type of transaction, with a value, which is essentially based on preceding transactions with regard to the same means of payment and which is specific for the current transaction, in order to generate the output value and which can be used to initiate reactions of different magnitude to the current transaction request instead of the definition of only one risk-threshold for authorization of the transaction as receiving a value from the merchant that exceeds expected values in the Abstract, paragraphs 18, 19, 69.

O'Mara et al. does not specifically disclose the value essentially based on a time series analysis of the preceding transactions with regard to the means of payment and the value being specific for the current transaction. Basch et al. teaches:

- risk value based on a time series analysis in a relational database (910) using a prediction model of the preceding transactions in column 20 (lines 4-39).

- with regard to the means of payment or how the account holder pays on the account in paragraphs Background of the Invention, Summary of the Invention, column 16 (lines 42-57) and column 18 (lines 30-49).

- and the value being specific for the current transaction in the Abstract and column 8 (lines 13-39).

Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify O'Mara to include time series calculations for a more detailed and accurate prediction of risk level.

14.   Claim 17 discloses the method of claim 16, wherein the time series analysis is implemented in the form of fuzzy logic rules. Claim 16 has been rejected based on the discussion(s) above. While O'Mara does disclose the use of limits for predicting risk in paragraphs 10 and 51, O'Mara does not specifically disclose the use of time-series analysis. Basch et al. teaches the use of time series analysis in a relational database (910) using a prediction model of the preceding transactions in column 20 (lines 4-39). Therefore, it would have been obvious to a person having ordinary skill in the art at the time the invention was made to modify O'Mara to include time series calculations for a more detailed and accurate prediction of risk level.

15.   Claims 18 and 19 disclose the method of claim 16, wherein the expert rules are implemented in the form of fuzzy logic rules. Claim 16 has been rejected based on the discussion(s) above. O'Mara discloses: the use of expert rules, or data elements for a rules based logic, in paragraphs 22-24, 27, and 44-46; and fuzzy logic in paragraphs 10 and 51.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Muriel Tinkler whose telephone number is (571)272-7976. The examiner can normally be reached on Monday through Friday from 7:30 AM until 4 PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571)272-6771. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

MT
March 23, 2007

HANI M. KAZIMI
PRIMARY EXAMINER